
Supplementary Financial Data

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

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CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Year Ended June 30, 2004

With Comparative Actual Amounts for Year Ended June 30, 2003

	<u>2004</u>		<u>Variance with</u>	<u>2003</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
			<u>Positive</u>	
			<u>(Negative)</u>	
REVENUES:				
Taxes:				
General property-current	\$ 11,983,380	\$ 12,146,132	\$ 162,752	\$ 10,810,649
General property-prior	314,000	302,065	(11,935)	322,685
Interest on delinquent tax	50,000	69,005	19,005	63,680
Local option sales tax	4,220,261	4,232,240	11,979	3,381,878
Other tax	600	508	(92)	536
	<u>\$ 16,568,241</u>	<u>\$ 16,749,950</u>	<u>\$ 181,709</u>	<u>\$ 14,579,428</u>
Intergovernmental:				
Federal	\$ 872,912	\$ 559,958	\$ (312,954)	\$ 2,052,075
State	4,244,761	4,234,161	(10,600)	3,060,453
Local	18,000	17,851	(149)	106,840
	<u>\$ 5,135,673</u>	<u>\$ 4,811,970</u>	<u>\$ (323,703)</u>	<u>\$ 5,219,368</u>
Charges for services:				
Environmental protection	\$ 866,155	\$ 837,306	\$ (28,849)	\$ 821,403
Culture and recreation	189,830	153,836	(35,994)	162,916
Public safety	430,365	414,782	(15,583)	410,211
Cemetery	135,000	117,200	(17,800)	125,595
Radio antenna and paging rentals	105,960	196,479	90,519	198,586
Rentals and sale of property	335,648	238,266	(97,382)	413,400
Licenses and permits	570,507	538,560	(31,947)	551,498
Administrative charges	1,743,053	1,743,053	-	1,660,050
Community services	112,500	122,619	10,119	125,244
	<u>\$ 4,489,018</u>	<u>\$ 4,362,101</u>	<u>\$ (126,917)</u>	<u>\$ 4,468,903</u>
Miscellaneous:				
Interest earned on investments	\$ 135,771	\$ 76,874	\$ (58,897)	\$ 86,590
Donations	1,027,034	318,323	(708,711)	183,384
Other	139,344	109,847	(29,497)	191,041
	<u>\$ 1,302,149</u>	<u>\$ 505,044</u>	<u>\$ (797,105)</u>	<u>\$ 461,015</u>
Total revenues	<u>\$ 27,495,081</u>	<u>\$ 26,429,065</u>	<u>\$ (1,066,016)</u>	<u>\$ 24,728,714</u>
OTHER FINANCING SOURCES:				
Proceeds from installment financing	\$ 1,990,500	\$ 1,990,500	\$ -	\$ 1,000,000
Fund balance appropriated	146,107	-	(146,107)	-
Total other financing sources (uses)	<u>\$ 2,136,607</u>	<u>\$ 1,990,500</u>	<u>\$ (146,107)</u>	<u>\$ 1,000,000</u>
Total revenues and other financing sources	<u>\$ 29,631,688</u>	<u>\$ 28,419,565</u>	<u>\$ (1,212,123)</u>	<u>\$ 25,728,714</u>

B-1**CITY OF SALISBURY, NORTH CAROLINA****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****For the Year Ended June 30, 2004****With Comparative Actual Amounts for Year Ended June 30, 2003**

	2004		Variance with	2003
			Budget	
	Budget	Actual	Positive	Actual
			(Negative)	
EXPENDITURES:				
Current:				
General government:				
City council	\$ 106,713	\$ 97,255	\$ 9,458	\$ 78,457
City administration	681,679	672,331	9,348	582,788
Purchasing	156,229	128,894	27,335	129,361
Human resources	548,853	525,423	23,430	495,647
Finance	1,073,139	1,042,162	30,977	944,273
Fleet management	760,335	758,839	1,496	712,635
Public services administration	230,992	229,458	1,534	175,069
City office buildings	382,738	377,759	4,979	286,690
Telecommunication	2,680,194	2,664,920	15,274	216,580
Information technologies	1,395,743	1,286,998	108,745	974,407
	<u>\$ 8,016,615</u>	<u>\$ 7,784,039</u>	<u>\$ 232,576</u>	<u>\$ 4,595,907</u>
Public safety:				
Police:				
Administration	\$ 561,326	\$ 494,573	\$ 66,753	\$ 431,365
Services	1,482,821	1,409,098	73,723	1,223,314
Operations	4,399,925	4,251,326	148,599	3,935,223
Fire	3,712,722	3,601,933	110,789	4,260,169
	<u>\$ 10,156,794</u>	<u>\$ 9,756,930</u>	<u>\$ 399,864</u>	<u>\$ 9,850,071</u>
Transportation:				
Traffic operations	\$ 460,304	\$ 450,871	\$ 9,433	\$ 415,676
Engineering	1,228,490	720,033	508,457	868,163
Streets	2,162,378	2,123,163	39,215	2,530,442
Street lighting	308,840	306,408	2,432	303,492
	<u>\$ 4,160,012</u>	<u>\$ 3,600,475</u>	<u>\$ 559,537</u>	<u>\$ 4,117,773</u>
Environmental protection:				
Solid waste management	\$ 1,524,597	\$ 1,449,351	\$ 75,246	\$ 1,378,096
Cemetery	227,598	222,557	5,041	182,990
	<u>\$ 1,752,195</u>	<u>\$ 1,671,908</u>	<u>\$ 80,287</u>	<u>\$ 1,561,086</u>
Culture and recreation:				
Landscaping	\$ 574,610	\$ 571,601	\$ 3,009	\$ 581,145
Recreation	2,061,724	1,987,618	74,106	1,569,349
	<u>\$ 2,636,334</u>	<u>\$ 2,559,219</u>	<u>\$ 77,115</u>	<u>\$ 2,150,494</u>
Community and economic development:				
Community development	\$ 1,119,994	\$ 754,858	\$ 365,136	\$ 1,494,972
The Plaza	279,244	274,225	5,019	179,831
Developmental services	403,928	362,503	41,425	337,572
	<u>\$ 1,803,166</u>	<u>\$ 1,391,586</u>	<u>\$ 411,580</u>	<u>\$ 2,012,375</u>

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CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

For the Year Ended June 30, 2004

With Comparative Actual Amounts for Year Ended June 30, 2003

	<u>2004</u>		<u>2003</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>	
			<u>Actual</u>	
EXPENDITURES :				
Current (continued):				
Education	\$ 42,342	\$ 42,342	\$ -	\$ 42,342
Debt service:				
Principal	\$ 651,394	\$ 646,750	\$ 4,644	\$ 774,176
Interest	252,554	250,437	2,117	260,553
	\$ 903,948	\$ 897,187	\$ 6,761	\$ 1,034,729
Total expenditures	\$ 29,471,406	\$ 27,703,686	\$ 1,767,720	\$ 25,364,777
OTHER FINANCING USES:				
Transfers to other funds	\$ 160,282	\$ 160,282	\$ -	\$ 160,282
Total expenditures and other financing uses	\$ 29,631,688	\$ 27,863,968	\$ 1,767,720	\$ 25,525,059
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ 555,597	\$ 555,597	\$ 203,655
FUND BALANCES, BEGINNING		5,254,336		5,050,681
FUND BALANCES, ENDING		\$ 5,809,933		\$ 5,254,336



Non Major Governmental Funds

Special revenue funds are used to account for the proceeds of specific revenues that are legally restricted to expenditures for particular purposes. The City has one special revenue fund, the Community Development Fund. This fund is used to account for the operations of the City's community development programs. Financing is provided by the U.S. Department of Housing and Urban Development.

The Capital Projects Fund is used to account for the acquisition or construction of capital projects, other than those financed by enterprise funds, internal service funds, or trust funds.

CITY OF SALISBURY, NORTH CAROLINA
ALL NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2004

<u>ASSETS</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Cash and investments	\$ 182,265	\$ -	\$ 182,265
Accounts receivable	11,879	-	11,879
Due from other governments	<u>8,382</u>	<u>-</u>	<u>8,382</u>
Total assets	<u>\$ 202,526</u>	<u>\$ -</u>	<u>\$ 202,526</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 8,371	\$ 12,625	\$ 20,996
Due to other funds	<u>-</u>	<u>360,424</u>	<u>360,424</u>
Total liabilities	<u>\$ 8,371</u>	<u>\$ 373,049</u>	<u>\$ 381,420</u>
FUND EQUITY			
Fund balances:			
Reserved by State statute	\$ 194,155	\$ -	\$ 194,155
Unreserved:			
Undesignated	<u>-</u>	<u>(373,049)</u>	<u>(373,049)</u>
Total fund equity (deficit)	<u>\$ 194,155</u>	<u>\$ (373,049)</u>	<u>\$ (178,894)</u>
Total liabilities and fund equity	<u>\$ 202,526</u>	<u>\$ -</u>	<u>\$ 202,526</u>

CITY OF SALISBURY, NORTH CAROLINA

ALL NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2004

	Special Revenue Fund	Capital Projects Fund	Total
REVENUES:			
Intergovernmental	\$ 407,340	\$ -	\$ 407,340
Miscellaneous:	<u>389,325</u>	<u>-</u>	<u>389,325</u>
Total revenues	<u>\$ 796,665</u>	<u>\$ -</u>	<u>\$ 796,665</u>
EXPENDITURES:			
General government	\$ 124,236	\$ 34,324	\$ 158,560
Public safety	-	338,725	338,725
Culture and recreation	-	9,155	9,155
Community and economic development	<u>983,076</u>	<u>-</u>	<u>983,076</u>
Total expenditures	<u>\$ 1,107,312</u>	<u>\$ 382,204</u>	<u>\$ 1,489,516</u>
OTHER FINANCING SOURCES			
Proceeds from Section 108 loan	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 64,353	\$ (382,204)	\$ (317,851)
FUND BALANCE, BEGINNING	<u>129,802</u>	<u>9,155</u>	<u>138,957</u>
FUND BALANCE (DEFICIT), ENDING	<u><u>\$ 194,155</u></u>	<u><u>\$ (373,049)</u></u>	<u><u>\$ (178,894)</u></u>

CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended June 30, 2004

With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			2003
			Variance with Budget Positive (Negative)	
	Budget	Actual		Actual
REVENUES:				
Intergovernmental:				
Federal	\$ 712,583	\$ 407,340	\$ (305,243)	\$ 778,721
Miscellaneous:				
Other	388,000	389,325	1,325	160,378
Total revenues	<u>\$ 1,100,583</u>	<u>\$ 796,665</u>	<u>\$ (303,918)</u>	<u>\$ 939,099</u>
EXPENDITURES:				
Current:				
General government	\$ 125,000	\$ 124,236	\$ 764	\$ 108,913
Community and economic development	<u>1,350,583</u>	<u>983,076</u>	<u>367,507</u>	<u>990,186</u>
Total expenditures	<u>\$ 1,475,583</u>	<u>\$ 1,107,312</u>	<u>\$ 368,271</u>	<u>\$ 1,099,099</u>
OTHER FINANCING SOURCES				
Proceeds from Section 108 loan	<u>\$ 375,000</u>	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 221,000</u>
NET INCREASE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 64,353</u>	<u>\$ 64,353</u>	<u>\$ 61,000</u>
FUND BALANCE, BEGINNING		<u>129,802</u>		<u>68,802</u>
FUND BALANCE, ENDING		<u>\$ 194,155</u>		<u>\$ 129,802</u>

CITY OF SALISBURY, NORTH CAROLINA

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2004

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES:				
Miscellaneous				
Interest earned on investments	\$ 36,750	\$ 36,713	\$ -	\$ 36,713
EXPENDITURES:				
Culture and recreation	\$ 1,036,750	\$ 1,027,558	\$ 9,155	\$ 1,036,713
General government	100,000	-	34,324	34,324
Public safety	3,465,680	-	338,725	338,725
Total expenditures	\$ 4,602,430	\$ 1,027,558	\$ 382,204	\$ 1,409,762
Total revenues under expenditures	\$ (4,565,680)	\$ (990,845)	\$ (382,204)	\$ (1,373,049)
OTHER FUNDING SOURCES				
Proceeds from issuance of debt	4,565,680	1,000,000	-	1,000,000
NET INCREASE (DECREASE) IN FUND BALANCE	\$ -	\$ 9,155	\$ (382,204)	\$ (373,049)
FUND BALANCE, BEGINNING			9,155	
FUND DEFICIT, ENDING			\$ (373,049)	

Proprietary Fund Types

Proprietary Funds Types - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water and Sewer Fund - to account for the provision of water and sewer services to the residents of the City and immediate area around the City.

Mass Transit Fund - to account for the provision of public bus services to the residents of the City.

All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

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CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

**SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON-GAAP)**

For the Fiscal Year Ended June 30, 2004

With Comparative Actual Amounts for Year Ended June 30, 2003

	2004			2003
	Budget	Actual	Variance with Budget Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services	\$ 15,734,261	\$ 14,484,161	\$ (1,250,100)	\$ 14,301,184
Water and sewer taps	192,474	648,609	456,135	266,247
Other operating revenues	353,002	902,563	549,561	439,882
Total operating revenues	<u>16,279,737</u>	<u>16,035,333</u>	<u>(244,404)</u>	<u>15,007,313</u>
OPERATING EXPENSES OTHER THAN DEPRECIATION:				
Management and administration	\$ 3,592,338	\$ 3,581,201	\$ 11,137	\$ 3,250,328
Water resources	1,421,641	1,354,247	67,394	1,224,721
Maintenance and construction	3,418,403	3,416,701	1,702	3,097,958
Wastewater collection and treatment	1,917,535	1,886,360	31,175	2,025,606
Environmental services	506,256	487,988	18,268	469,505
Total operating expenses other than depreciation	<u>\$ 10,856,173</u>	<u>\$ 10,726,497</u>	<u>\$ 129,676</u>	<u>\$ 10,068,118</u>
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	\$ 53,000	\$ 30,411	\$ (22,589)	\$ 56,576
Miscellaneous revenues	519,189	352,208	(166,981)	240,387
Interest expense	(2,195,789)	(2,038,017)	157,772	(2,275,611)
Net nonoperating revenues	<u>\$ (1,623,600)</u>	<u>\$ (1,655,398)</u>	<u>\$ (31,798)</u>	<u>\$ (1,978,648)</u>
Income from operations	<u>\$ 3,799,964</u>	<u>\$ 3,653,438</u>	<u>\$ (146,526)</u>	<u>\$ 2,960,547</u>
OTHER FINANCING SOURCES (USES):				
Capital outlay	\$ (1,081,008)	\$ (1,015,339)	\$ 65,669	\$ (114,533)
Payment of debt principal	(3,442,182)	(3,439,954)	2,228	(2,645,818)
Payment to refunded bond escrow agent	(12,100,000)	(12,094,519)	5,481	(2,645,818)
Proceeds from sale of refunding bonds	12,100,000	12,100,000	-	-
Retained earnings appropriated	723,226	-	(723,226)	-
Total other financing sources (uses)	<u>\$ (3,799,964)</u>	<u>\$ (4,449,812)</u>	<u>\$ (649,848)</u>	<u>\$ (5,406,169)</u>
EXCESS OF EXPENSES OVER REVENUES	<u>\$ -</u>	<u>\$ (796,374)</u>	<u>\$ (796,374)</u>	<u>\$ (2,445,622)</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of expenses over revenues		\$ (796,374)		
Capital outlay		1,015,339		
Depreciation		(3,390,138)		
Bond amortization		(119,576)		
Payment of debt principal		3,439,954		
Payment to refunded bond escrow agent		12,094,519		
Proceeds from sale of refunding bonds		(12,016,469)		
Interest income from Capital Projects Fund		152,918		
Capital contributions in Capital Project Fund		2,469,122		
Interest expense adjustment		64,670		
Inventories		57,708		
Vacation pay		(28,137)		
Change in net assets		<u>\$ 2,943,536</u>		

CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP)

From Inception and for the Year Ended June 30, 2004

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES				
Miscellaneous				
Interest on investments	\$ -	\$ 2,207,705	\$ 152,918	\$ 2,360,623
EXPENSES-SEWER PROJECT				
Construction	\$ 2,843,604	\$ 531,944	\$ 419,055	\$ 950,999
Engineering	635,914	73,660	141,451	215,111
Total expenses-Sewer project	\$ 3,479,518	\$ 605,604	\$ 560,506	\$ 1,166,110
EXPENSES-WATER PROJECT				
Construction	\$ 32,092,418	\$ 25,232,929	\$ 5,003,868	\$ 30,236,797
Engineering	5,050,732	4,497,361	430,548	4,927,909
Total expenses-Water project	\$ 37,143,150	\$ 29,730,290	\$ 5,434,416	\$ 35,164,706
Total expenses	\$ 40,622,668	\$ 30,335,894	\$ 5,994,922	\$ 36,330,816
Total revenues under expenses	\$ (40,622,668)	\$ (28,128,189)	\$ (5,842,004)	\$ (33,970,193)
OTHER FINANCING SOURCES				
Proceeds from sale of bonds	\$ 19,143,829	\$ 19,143,829	\$ -	\$ 19,143,829
Developer contributions	15,678,408	13,209,286	2,469,122	15,678,408
Appropriated fund balance	5,800,431	-	-	-
Total other financing sources	\$ 40,622,668	\$ 32,353,115	\$ 2,469,122	\$ 34,822,237
Unexpended revenues and receipts	\$ -	\$ 4,224,926	\$ (3,372,882)	\$ 852,044

CITY OF SALISBURY, NORTH CAROLINA

MASS TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON-GAAP)

For the Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004			2003
	Budget	Actual	Variance with Budget Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services	\$ 80,000	\$ 64,571	\$ (15,429)	\$ 66,669
OPERATING EXPENSES OTHER THAN DEPRECIATION:				
Management and administration	\$ 163,533	\$ 138,362	\$ 25,171	\$ 120,106
Mass transit operations	523,106	507,490	15,616	503,266
Total operating expenses other than depreciation	\$ 686,639	\$ 645,852	\$ 40,787	\$ 623,372
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	\$ 1,479,738	\$ 372,506	\$ (1,107,232)	\$ 372,724
Interest on investments	2,400	1,670	(730)	2,692
Miscellaneous revenues	8,000	3,811	(4,189)	6,250
Total nonoperating revenues	\$ 1,490,138	\$ 377,987	\$ (1,112,151)	\$ 381,666
Income (loss) from operations	\$ 883,499	\$ (203,294)	\$ (1,086,793)	\$ (175,037)
OTHER FINANCING SOURCES (USES):				
Capital outlay	\$ (1,190,693)	\$ -	\$ 1,190,693	\$ (22,822)
Appropriated fund balance	146,912	-	(146,912)	-
Operating transfers in:				
General fund	160,282	160,282	-	160,282
Total other financing sources (uses)	\$ (883,499)	\$ 160,282	\$ 1,043,781	\$ 137,460
EXCESS OF EXPENSES OVER REVENUES	\$ -	\$ (43,012)	\$ (43,012)	\$ (37,577)
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of expenses over revenues, above		\$ (43,012)		
Depreciation		(7,607)		
Vacation pay		(8,093)		
Change in net assets		\$ (58,712)		



Internal Service Funds

Internal Service Funds are used for allocating the cost of providing certain central services among the different funds.

Workers' Compensation Fund - to account for monies provided by the City and interest earnings to provide the City's reserve for Workers' Compensation.

Employee Health Care Fund - to account for monies withheld from employees' wages and charges to the City to fund the City's health insurance plan.

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 2004

With Comparative Totals at June 30, 2003

<u>ASSETS</u>	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
CURRENT ASSETS				
Cash and investments	\$ 19,942	\$ 528,685	\$ 548,627	\$ 184,165
Interest receivable	<u>140</u>	<u>1,837</u>	<u>1,977</u>	<u>463</u>
Total assets	<u>\$ 20,082</u>	<u>\$ 530,522</u>	<u>\$ 550,604</u>	<u>\$ 184,628</u>
<u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 11,933	\$ 459,130	\$ 471,063	\$ 402,777
NET ASSETS (DEFICIT)	<u>8,149</u>	<u>71,392</u>	<u>79,541</u>	<u>(218,149)</u>
Total liabilities and net assets	<u>\$ 20,082</u>	<u>\$ 530,522</u>	<u>\$ 550,604</u>	<u>\$ 184,628</u>

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2004
With Comparative Totals For The Year Ended June 30, 2003

			<u>Totals</u>	
	<u>Workers'</u>	<u>Employee</u>	<u>2004</u>	<u>2003</u>
	<u>Compensation</u>	<u>Health Care</u>		
OPERATING REVENUES:				
Charges for services	\$ 285,217	\$ 3,213,027	\$ 3,498,244	\$ 2,994,849
OPERATING EXPENSES:				
Employee benefits	<u>317,378</u>	<u>2,887,730</u>	<u>3,205,108</u>	<u>2,963,762</u>
OPERATING INCOME (LOSS)	\$ (32,161)	\$ 325,297	\$ 293,136	\$ 31,087
NONOPERATING REVENUES				
Interest earned on investments	<u>1,743</u>	<u>2,811</u>	<u>4,554</u>	<u>1,859</u>
NET INCOME (LOSS)	\$ (30,418)	\$ 328,108	\$ 297,690	\$ 32,946
NET ASSETS (DEFICIT), BEGINNING	<u>38,567</u>	<u>(256,716)</u>	<u>(218,149)</u>	<u>(251,095)</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 8,149</u>	<u>\$ 71,392</u>	<u>\$ 79,541</u>	<u>\$ (218,149)</u>

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2004

With Comparative Totals For The Year Ended June 30, 2003

	Workers'	Employee	Totals	
	Compensation	Health Care	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 285,217	\$ 3,213,027	\$ 3,498,244	\$ 2,994,849
Cash paid for goods and services	<u>(311,478)</u>	<u>(2,825,344)</u>	<u>(3,136,822)</u>	<u>(2,997,079)</u>
Net cash provided (used) by operating activities	<u>\$ (26,261)</u>	<u>\$ 387,683</u>	<u>\$ 361,422</u>	<u>\$ (2,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>\$ 1,826</u>	<u>\$ 1,214</u>	<u>\$ 3,040</u>	<u>\$ 1,990</u>
Net increase (decrease) in cash and cash equivalents	\$ (24,435)	\$ 388,897	\$ 364,462	\$ (240)
Balances-beginning of the year	<u>44,377</u>	<u>139,788</u>	<u>184,165</u>	<u>184,405</u>
Balances-end of the year	<u><u>\$ 19,942</u></u>	<u><u>\$ 528,685</u></u>	<u><u>\$ 548,627</u></u>	<u><u>\$ 184,165</u></u>



Agency Funds

Agency funds are used to account for assets held by government as an agent for individuals, private organizations, other governments, and/or other funds.

AGENCY FUNDS

Boards and Commissions – to account for monies raised by the boards and commissions of the City from private sources to fund their projects.

Municipal Service District Fund – to account for tax receipts of the Municipal Service District that the City receives from the County and then remits to Downtown Salisbury, Inc.

East Spencer Utilities Fund – to account for billings and receipts of the Town of East Spencer's utilities operations, which the City manages on a contract basis.

CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 2004

With Comparative Totals at June 30, 2003

	Agency			Totals	
	Boards and Commissions	Municipal Service District	East Spencer Utility Fund	2004	2003
<u>ASSETS</u>					
Cash and investments	\$ 2,219	\$ 550	\$ 56,486	\$ 59,255	\$ 99,542
Accounts receivable	-	4,589	152,396	156,985	140,438
Interest receivable	-	13	-	13	9
Total assets	<u>\$ 2,219</u>	<u>\$ 5,152</u>	<u>\$ 208,882</u>	<u>\$ 216,253</u>	<u>\$ 239,989</u>
<u>LIABILITIES</u>					
LIABILITIES					
Accounts payable and accrued liabilities	<u>\$ 2,219</u>	<u>\$ 5,152</u>	<u>\$ 208,882</u>	<u>\$ 216,253</u>	<u>\$ 239,989</u>

CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>BOARDS AND COMMISSIONS FUND:</u>				
ASSETS				
Cash and investments	\$ 4,236	\$ -	\$ 2,017	\$ 2,219
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,236	\$ -	\$ 2,017	\$ 2,219
<u>MUNICIPAL SERVICE DISTRICT FUND:</u>				
ASSETS				
Cash and investments	\$ 289	\$ 261	\$ -	\$ 550
Accounts receivable	4,336	253	-	4,589
Interest receivable	9	4	-	13
Total assets	\$ 4,634	\$ 518	\$ -	\$ 5,152
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,634	\$ 518	\$ -	\$ 5,152
<u>EAST SPENCER UTILITY FUND:</u>				
ASSETS				
Cash and investments	\$ 95,017	\$ -	\$ 38,531	\$ 56,486
Accounts receivable	136,102	16,294	-	152,396
Total Assets	\$ 231,119	\$ 16,294	\$ 38,531	\$ 208,882
LIABILITIES				
Accounts payable and accrued liabilities	\$ 231,119	\$ 16,294	\$ 38,531	\$ 208,882
<u>TOTAL AGENCY FUNDS:</u>				
ASSETS				
Cash and investments	\$ 99,542	\$ 261	\$ 40,548	\$ 59,255
Accounts receivable	140,438	16,547	-	156,985
Interest receivable	9	4	-	13
Total assets	\$ 239,989	\$ 16,812	\$ 40,548	\$ 216,253
LIABILITIES				
Accounts payable and accrued liabilities	\$ 239,989	\$ 16,812	\$ 40,548	\$ 216,253

Capital Assets



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CITY OF SALISBURY, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

As Of June 30, 2004

	Land	Buildings and Improvements	Infrastructure	Equipment, Vehicles and Motorized Equipment	Total
GENERAL GOVERNMENT:					
City Administration	\$ -	\$ -	\$ -	\$ 25,396	\$ 25,396
Human Resources	-	-	-	5,203	5,203
Information Technologies	-	110,578	-	888,038	998,616
Finance	-	-	-	142,422	142,422
City Office Buildings	256,671	2,179,532	-	75,576	2,511,779
Telecommunications	24,820	84,966	-	3,642,820	3,752,606
Public Services Administration	-	10,259	-	18,264	28,523
Fleet Management	-	18,405	-	484,840	503,245
	<u>\$ 281,491</u>	<u>\$ 2,403,740</u>	<u>\$ -</u>	<u>\$ 5,282,559</u>	<u>\$ 7,967,790</u>
PUBLIC SAFETY:					
Police	\$ -	\$ 255,752	\$ -	\$ 2,077,998	\$ 2,333,750
Fire	223,684	371,389	-	3,149,123	3,744,196
	<u>\$ 223,684</u>	<u>\$ 627,141</u>	<u>\$ -</u>	<u>\$ 5,227,121</u>	<u>\$ 6,077,946</u>
TRANSPORTATION:					
Traffic Engineering	\$ -	\$ -	\$ -	\$ 465,266	\$ 465,266
Engineering	-	66,774	-	630,793	697,567
Streets	-	166,805	30,690,486	2,555,632	33,412,923
	<u>\$ -</u>	<u>\$ 233,579</u>	<u>\$ 30,690,486</u>	<u>\$ 3,651,691</u>	<u>\$ 34,575,756</u>
ENVIRONMENTAL PROTECTION:					
Cemetery	\$ -	\$ 10,320	\$ -	\$ 134,455	\$ 144,775
Solid Waste Management	-	-	-	920,048	920,048
	<u>\$ -</u>	<u>\$ 10,320</u>	<u>\$ -</u>	<u>\$ 1,054,503</u>	<u>\$ 1,064,823</u>
CULTURE AND RECREATION:					
Landscaping	\$ 164,546	\$ 71,163	\$ -	\$ 554,211	\$ 789,920
Recreation	1,716,402	5,045,538	-	593,897	7,355,837
	<u>\$ 1,880,948</u>	<u>\$ 5,116,701</u>	<u>\$ -</u>	<u>\$ 1,148,108</u>	<u>\$ 8,145,757</u>
LAND MANAGEMENT AND DEVELOPMENT:					
Development Services	\$ -	\$ -	\$ -	\$ 12,776	\$ 12,776
Community Development	771,322	1,118,108	-	13,500	1,902,930
The Plaza	-	3,239,838	-	15,040	3,254,878
	<u>\$ 771,322</u>	<u>\$ 4,357,946</u>	<u>\$ -</u>	<u>\$ 41,316</u>	<u>\$ 5,170,584</u>
TOTAL CAPITAL ASSETS	<u>\$ 3,157,445</u>	<u>\$ 12,749,427</u>	<u>\$ 30,690,486</u>	<u>\$ 16,405,298</u>	<u>\$ 63,002,656</u>

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CITY OF SALISBURY, NORTH CAROLINA

CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

As Of June 30, 2004

	June 30, 2003	Additions	Retirements	June 30, 2004
GENERAL GOVERNMENT:				
City Administration	\$ 25,396	\$ -	\$ -	\$ 25,396
Human Resources	5,203	-	-	5,203
Information Technologies	768,855	237,573	7,812	998,616
Finance	136,772	5,650	-	142,422
City Hall	2,491,344	20,435	-	2,511,779
Telecommunications	1,357,734	2,418,536	23,664	3,752,606
Public Services Administration	10,259	18,264	-	28,523
Fleet Management	238,820	264,425	-	503,245
	<u>\$ 5,034,383</u>	<u>\$ 2,964,883</u>	<u>\$ 31,476</u>	<u>\$ 7,967,790</u>
PUBLIC SAFETY:				
Police	\$ 2,337,031	\$ 464,789	\$ 468,070	\$ 2,333,750
Fire	3,669,574	99,344	24,722	3,744,196
	<u>\$ 6,006,605</u>	<u>\$ 564,133</u>	<u>\$ 492,792</u>	<u>\$ 6,077,946</u>
TRANSPORTATION:				
Traffic Engineering	\$ 465,266	\$ -	\$ -	\$ 465,266
Engineering	678,939	25,586	6,958	697,567
Streets	33,239,923	173,000	-	33,412,923
	<u>\$ 34,384,128</u>	<u>\$ 198,586</u>	<u>\$ 6,958</u>	<u>\$ 34,575,756</u>
ENVIRONMENTAL PROTECTION:				
Cemetery	\$ 136,150	\$ 26,786	\$ 18,161	\$ 144,775
Solid Waste Management	831,075	88,973	-	920,048
	<u>\$ 967,225</u>	<u>\$ 115,759</u>	<u>\$ 18,161</u>	<u>\$ 1,064,823</u>
CULTURE AND RECREATION:				
Landscaping	\$ 789,597	\$ 18,588	\$ 18,265	\$ 789,920
Recreation	7,207,425	164,747	16,335	7,355,837
	<u>\$ 7,997,022</u>	<u>\$ 183,335</u>	<u>\$ 34,600</u>	<u>\$ 8,145,757</u>
LAND MANAGEMENT AND DEVELOPMENT:				
Development Services	\$ 12,776	\$ -	\$ -	\$ 12,776
Community Development	1,902,571	13,500	13,141	1,902,930
The Plaza	3,254,878	-	-	3,254,878
	<u>\$ 5,170,225</u>	<u>\$ 13,500</u>	<u>\$ 13,141</u>	<u>\$ 5,170,584</u>
TOTAL CAPITAL ASSETS	<u>\$ 59,559,588</u>	<u>\$ 4,040,196</u>	<u>\$ 597,128</u>	<u>\$ 63,002,656</u>

Other Schedules



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CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND
PROPERTY TAXES RECEIVABLE

For the Year Ended June 30, 2004

Tax Year	Fiscal Year Ended June 30	Assessed Valuation *	Taxes Levied Prior to June 30, 2003	Levy Additions Year Ended June 30, 2004	Collections and Credits Prior to June 30, 2003	Taxes Receivable June 30, 2003	Collections and Credits Year Ended June 30, 2004	(Note) Other Credits	Taxes Receivable June 30, 2004
2003	2004			\$ 12,642,260			\$ 12,235,549		\$ 406,711
2002	2003	2,171,421,479	11,255,029	63	10,892,049	362,980	219,417		143,626
2001	2002	1,854,810,966	11,190,087	71	11,077,081	113,006	54,433		58,644
2000	2001	1,820,568,216	10,937,764		10,875,256	62,508	16,471		46,037
1999	2000	1,764,727,945	10,160,220		10,121,208	39,012	4,664		34,348
1998	1999	1,482,452,065	9,213,038		9,176,962	36,076	1,368		34,708
1997	1998	1,382,140,359	8,002,560		7,975,014	27,546	1,279		26,267
1996	1997	1,318,874,568	7,759,356		7,730,666	28,690	1,265		27,425
1995	1996	1,280,584,979	7,449,694		7,424,663	25,031	1,447		23,584
1994	1995	1,146,945,499	7,234,332		7,205,774	28,558	1,169		27,389
1993	1994	1,151,692,595	6,741,761		6,725,152	16,609	553	16,056	-
			<u>\$ 89,943,841</u>	<u>\$ 12,642,394</u>	<u>\$ 89,203,825</u>	<u>\$ 740,016</u>	<u>\$ 12,537,615</u>	<u>\$ 16,056</u>	<u>\$ 828,739</u>
									<u>250,000</u>
									<u>\$ 578,739</u>

Less allowance for uncollectible accounts

Ad valorem taxes receivable - net

* All taxable property is assessed at one hundred percent (100%) of its estimated value at the time of revaluation.

Note: Ten year statute of limitations write-off.

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CITY OF SALISBURY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY

For the Year Ended June 30, 2004

	City Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY					
Property taxed at current year's rates	\$ 2,115,720,031	\$ 0.580	\$ 12,271,179	\$ 11,689,177	\$ 582,002
Registered motor vehicles taxed at prior year's rates	68,937,347	0.600	413,624		413,624
Penalties			11,486	11,486	
TOTAL	\$ 2,184,657,378		\$ 12,696,289	\$ 11,700,663	\$ 995,626
DISCOVERY					
Current year rates	1,276,978		7,407	6,277	1,130
Prior years rates			18,704	18,704	
Penalties			4,817	4,817	
TOTAL			\$ 30,928	\$ 29,798	\$ 1,130
ABATEMENTS	(14,512,877)		\$ (84,957)	\$ (64,658)	\$ (20,299)
TOTAL PROPERTY VALUATION	\$ 2,171,421,479				
NET LEVY			\$ 12,642,260	\$ 11,665,803	\$ 976,457
Less uncollected tax at June 30, 2004			406,711	292,639	114,072
CURRENT YEAR'S TAXES COLLECTED			\$ 12,235,549	\$ 11,373,164	\$ 862,385
PERCENT OF CURRENT YEAR COLLECTED			96.78%	97.49%	88.32%

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CITY OF SALISBURY, NORTH CAROLINA

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 2004

CASH AND INVESTMENTS IN THE FORM OF:

Cash:

Cash on hand	\$ 2,540	
In demand deposits	100,945	
Certificates of deposit	<u>8,338,296</u>	
		\$ 8,441,781

Investments:

North Carolina Capital Management Trust	4,844,301
Government agency discount notes	2,470,561
Commercial paper	<u>3,471,133</u>

TOTAL CASH AND INVESTMENTS \$ 19,227,776

DISTRIBUTION BY FUNDS:

General	\$ 5,300,374
Special revenue	182,265
Enterprise	12,550,905
Internal service	548,627
Trust and agency	<u>645,605</u>

TOTAL DISTRIBUTION BY FUNDS \$ 19,227,776

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CITY OF SALISBURY, NORTH CAROLINA

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 2004

<u>Fund</u>	<u>Transfers</u>	
	<u>From</u>	<u>To</u>
General:		
Enterprise	\$ -	\$ 160,282
Enterprise:		
General	<u>160,282</u>	<u>-</u>
	<u>\$ 160,282</u>	<u>\$ 160,282</u>